

Announcement 2018 - 16

Planet Home Lending Texas 50(a)(6) and Texas 50(f)

Planet Home Lending is pleased to announce that effective April 9, 2018, it will begin to accept Texas 50(a)(6) and Texas 50(f) loans.

Under the Texas constitution, a borrower can take equity out of a homestead property. Eligible loans are originated and secured by a lien permitted under the provisions of Article XVI, Section 50(a)(6). Additionally, borrowers may refinance an existing Texas 50(a)(6) mortgage to a Non-Equity Refinance Texas 50(f) mortgage (see additional product highlights below).

Product Highlights

- Fixed Rate only
- Maximum LTV/CLTV 80%
- All properties must be the borrowers Homestead (Rural Homesteads are not allowed)
- Property must be owner-occupied, and must not exceed 10 acres
- 1 unit **only** with the following property types allowed:
 - Attached/detached single family dwelling
 - PUDs
 - Condo
 - Manufactured Housing is ineligible
- The title insurance must be written on Texas Land Title Association forms (standard or short form)
- A minimum 12-month seasoning is required from the last Texas 50(a)(6) transaction
- An existing Texas 50(a)(6) second mortgage may not be re-subordinated to a new Texas 50(a)(6) first mortgage. Only 1 Texas 50(a)(6) transaction allowed at a time.
- All applicable parties must receive and acknowledge a Notice Concerning Extension of Credit (12-day notice).
- The Texas 50(a)(6) certification must be provided by one of the following:
 - Black, Mann & Graham
 - Gregg & Valby
 - McGlynchey, Stafford
 - MRG-Mortgage Resource Group, and
 - Pierson & Patterson

Specific Texas 50(f) product highlights include:

- Rate/Term refinance of existing Texas 50(a)(6)
- No Cash-out allowed
- No additional advances allowed
- The borrower must sign a Notice Concerning Refinance of Existing Home Equity Loan within 3 business days of application.

The Planet Home Lending Seller Guide and program matrices will be updated as applicable.

If you have any questions, please reach out to your Regional Sales Manager.